termination of preventive, ameliorative remedial and other measures and expeditious enforcement of such measures.

Distinction between foreign promoters and Indian promoters

5994. SHRI V. RAJAN CHELLAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have at any time drawn distinction between foreign promoters of industry and Indian promoters;

(b) whether it is a fact that during the operation of FERA, there was a difference in Government's perception between Indian promoters and investors and their foreign counterparts;

(c) whether this difference remains in the current foreign investment scenario;

(d) if so, the details thereof;

(e) whether the Indian industry associations have been demanding that Indian promoters be treated differently from foreign promoters; and

(f) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Prior to the amendment of Foreign Exchange Regulation Act (FERA) in January 1993, companies where foreign equity holding exceeded 40 percent were classified as FERA companies. Such companies were subject to a number of restrictions. Consequent to the amendment of FERA in January 1993 the distinction between FERA and non-FERA companies cases to exist.

(e) and (f) Indian Promoters are treated differently from foreign promoters in a number of areas. Investment by foreign promoters in Indian industry is subject to an approval/ regulatory mechanism administerd by the Reserve Bank of India/Government of India, which is not applicable to Indian promoters.

Guidelines for heads of private sector Units

5995. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any guidelines for the behaviour and functioning of heads of all private sector units where financial institution control over 40 percent of the share holding;

(b) if so, the details of such guidlines;

(c) whether it is a fact that curbs on expenditure on life style and public relations and high consumption pattern will be curbed in major assisted units in the private sector; and

(d) if so, the details of such curbs or limits on income, life style and extraneous expenditure of the Chief Executives?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Schedule XIII of the Companies Act, 1956, as amended from time to time, deals with appointment and remuneration of Managing Directors/Whole time Directors/Managers of public limited companies. The schedule, inter alia, provides that companies with adequate net profits as well as loss-making companies or companies with inadequate net profits would have

freedom to work out suitable remuneration packages for their managerial personnel within the prescribed limits. There are no separate guidelines for private sector companies with 40 per cent or more shareholding financial institutions, and the general guidelines apply to all private sector companies.

Mahaaashtra agriculture and rural debt relief scheme

5996. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government of Maharashtra had implemented the Maharashtra Agricultural and Rural Debt Relief Scheme in 1990 and incurred an expenditure of Rs. 488.946 crores which was to be shared by the Government of India and State Government on 50:50 basis;

(b) whether Goverment have since released its entire share to the Government of Maharashtra and if so, the details thereof and if not, the reasons therefor; and

(c) by when the entire amount along with the interest on delayed payment to banks is proposed to be released?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes, Sir. Government of India formulated the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 for providing debt relief to selected category of borrowers of public sector banks and Regional Rural Banks (RRBs). The State Governments, including Maharashtra, also formulated their own schemes for borrowers of co-operatives. While the debt relief given by the public sector banks and RRBs were to be fully reimbursed by the Central Government, under the State Scheme, the burden of providing debt relief was to be shared between Centre and States on a 50:50 basis. Loans to State Cooperative and State Land Development Banks to the extent of 50 per cent of the debt relief provided by them has been disbursed by National Banks for Agriculture and Rural Development (NABARD). The ARDR Scheme came to a close on 30.3.1991.

The debt relief scheme was implemented by the Cooperative Banks (SCB|SLDB) in Maharashtra in terms of the Maharashtra Agricultural and Rural Debt Relief Scheme, 1990 (on the lines of the ARDR Scheme, 1990 of the Government of India) and the debt relief provided by the banks thereunder was of the order of Rs. 488.946 crores to 19,79,508 beneficiaries.

(b) and (c) Reserve Bank of India (RBI) and NABARD have reported that as per the policy guidelines the claims of banks in Maharashtra under the ARDR Scheme, 1990 have since been settled in full No further amount is due to be paid to Government of Maharashtra either as direct payment or as a loan, under the scheme.

Ban on Badla system by SEBI

5997. DR. B. B. DUTTA: Will the Minister of FINANCE be pleased to state:

(a) whether SEBI's decision to ban the traditional system of 'Badla' has adversely affected liquidity and the volume of trading in the market;

(b if so, the details thereof; and

(c) the steps taken by Government to ensure that trading in stock exchanges are largely guided by principles of safety of the market transparency and investors protection?